

Moultonborough
2011-2012 School Budget
Recommendations and Comments



Advisory Budget Committee

Tuesday, January 25, 2011

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To the Members of the School Board, Superintendent
Moultonborough School District
Moultonborough, New Hampshire 03254

The ABC has completed its' review of the 2011-12 proposed School Budget. The following report represents our independent opinions and suggestions. Any opinions and suggestions offered by the ABC represent our best efforts to maximize efficiencies, spending power and to consolidate redundancies between the various elements of Town-wide Administration (Town, Library, and School). Our suggestions and opinions should not be viewed as a negative reflection of the dedicated work done by the School Board Members, Superintendent or School Administrative Staff and Teachers. Moultonborough is one Town with "One Consolidated Tax Rate". The ABC will continue to stress the concept of One Town/ One Tax rate and consolidated services where we believe redundancies exist.

Budget Summary:

The proposed School Budget for 2011-2012 represents \$13,828,442 as compared to \$13,758,726 for the prior year 2010-1011. This represents an increase of \$69,716; a 0.5 % year-over-year increase. While the 0.5 % increase is relatively small, we believe opportunities exist to deliver a level funded year over year budget. The following represent our collective observations and comments.

OBSERVATIONS & COMMENTS:

Salaries: The proposed budget 2011-2012 includes the impact of the Salary increases from the existing two year collective bargaining agreement. Teachers' salaries on average were increased by 2.5%. Administrative Salaries increased by an average of 1.4% and all other remaining non-contractual salaries increased an average 2.5%.

Budgeted Salaries for replacement teachers: Historically the district has budgeted open teaching positions at a salary grade of Masters Level 12. The ABC was pleased to note that the open positions in the proposed 2011-2012 budget have been reduced to a Masters Level 10. While the ABC appreciates the attempt made to reduce the budgeted dollars we believe that the budgeted level with the exception of Math, Science and the current opening for a Speech Language Pathologist should be reduced to a Masters level 5. The salary differential between a Masters Level 10 and a Masters Level 5 is \$6,900 per position before adding the related cost of benefits.

Although the open positions have been budgeted at Masters Level 10 we anticipate a percentage of new hires will be targeted below a grade level 10. It is the understanding of the Committee that the retirement incentive included in the recent collective bargaining contract was initiated to allow teachers with longevity the option of early retirement. The district's intent would be to replace with qualified less tenured hires.

The ABC requests at the conclusion of each hiring season a report reconciling the budgeted dollars with the actual contracted dollars and assurance that any difference is returned to the tax base via the year end Fund Balance.

Elementary School Librarian: The District has announced the retirement of the elementary school librarian. The ABC has commented for the past three years that the cost of maintaining the elementary school library is high in comparison to other educational disciplines. We have consistently recommended that the librarian be replaced with a para-professional. The proposed budget includes a replacement librarian/media specialist. After listening to proposals made by the Elementary Principal we now agree that a librarian/media specialist would be an effective change. We are encouraged that the Administration has agreed to accept our recommendation to fill the vacancy with a librarian/media specialist with education closer to more recent technology development.

Technology: Since 2007 the District has embarked on a program to update the technology of its classrooms (program listed in the technology budget detail as “21st Century Classrooms”).

This budget includes purchase of 7 mounted projectors to complete an acquisition program of a total of 49 ceiling mounted projectors since inception in 2007. This budget also includes the purchase of 11 Smart Boards bringing to date a total of 24 Smart Boards. While the Smart Board allows student interaction, the Committee questions whether the technology provides an adequate educational and cost benefit pay back when applied to disciplines beyond math, science, and technology. The committee would like to see a plan to collect and measure evidence demonstrating added value to the learning experience in these other disciplines provided by use of the “Smart Boards”.

This budget includes the purchase of 23 faculty/staff computers and 44 Student computers. Included in the student computers are 20 ipads (10 for MCS and 10 for MA). The District Technology Committee believes that the ipad will benefit the students through a multitude of downloadable educational teaching applications and eventually replace paper text books. The district is proposing the purchase of 20 ipads to explore the future educational possibilities. Although ipads are less expensive than computers they have limited functionality as compared to a PC or lap top and their functionality and effectiveness for classroom instruction is unclear at this time. The committee would like to see a plan to collect measured evidence and analysis demonstrating added value to the learning experience before any additional iPads are purchased.

The Technology Committee expressed interest in putting forth a future detailed “Technology Roadmap” bringing Technology for the District to a “State of the Art” level. The committee thinks the program should be well documented. That targeted educational goals and objectives should be explained in detail; that the methods of measuring improved educational results should be part of the written plan as well should the different research approaches that will produce the measured results. The town should have a clear understanding of what the technology research goals are, the long term extent of the plan, how the school will be measuring (ensuring) value to education as a return for the town funding the program(s).

The ABC would support this “Technology Roadmap” plan that brings Technology for the District to a “State of the Art” level if the plan is offered to voters before inclusion in the School’s program(s) and the plan clearly identifies, for each separate technology,

- The improved educational objectives, i.e.
 - greater student subject matter retention
 - better preparedness for job market
 - better test scores
 - more rapid delivery of subject matter
- the method of collecting and measuring results,
- The length of the measurement cycle prior to deciding whether the technology has earned a place in the education program – or not.

The ABC requests the overall “Roadmap” and related cost and acquisition timetable be brought forward to the town for vote.

In future budget cycles, the ABC requests all new technology hardware and software items be approved as a separate warrant article similar to the way the Town’s Capital Equipment is separately approved each year.

Co-curricular costs: The Committee continues to believe the amount collectively paid in Co-Curricular Stipends and especially the number of activities covered by Co-Curricular stipends is excessive, especially in light of the policy that these amounts increase the overhead load of all fringe benefits, including but not limited to future retirement benefits. The Committee is encouraged to see that the District has undertaken a review of the current stipends and over the past two years reduced the stipend budget by approximately \$10,000. The committee believes there is still an opportunity for further reduction in Co-Curricular offerings including those for three Unit Leaders in the Elementary School and various Subject Leaders at the Academy.

Reserves: The District maintains a Special Reserve Fund for Building and Grounds projects. The balance in this fund as of June 30, 2010 represented \$ 472,105. In addition, the District maintains a Health Self Insurance Fund. The District purchases a high deductible health insurance policy, and self-insures a portion of the deductible. The balance in this fund at June 30, 2010 was \$ 633,301. The Committee has ongoing concerns related to the appropriate funding level for both reserves. We recommend the district undertake a detailed review of its’ funding practices and provide an in depth analysis of adequate requirements supporting both reserves.

Tuition: The district currently has 6 tuition-paying students. Three are faculty students and the remainder are special education students. The current Tuition rate is \$12,474 for regular out of district students. Faculty students are charged 25% of the regular out of district rate. Special Education tuition rates range from \$16,855 to \$37,604 and are paid by the fiscally responsible school district; they vary by

student depending on the specific services required in their IEP's. Tuition rates for regular out of district placements are set annually by the District in April. The Committee will review in detail the proposed tuition rates and related policy's at that time. The Committee believes the current out of district rate is low compared to the average cost per student in Moultonborough. The Committee believes the tuition rate should equal the average cost per student.

Health Benefits: Employee's health benefits, historically, have been negotiated as part of the collective bargaining agreement. The ABC was pleased to see that the recent contract did provide for a small increase in the employee contribution to help offset the cost of family health coverage. The District must continue to shift a larger percentage of the cost burden from the employer to employee

Course curriculum and staffing levels: As the Board confronts changing enrollment trends, teacher staffing becomes increasingly complex and challenging. The ABC recognizes this situation and continues to suggest that emphasis be placed on hiring teachers who are certified to teach several different courses. If the present trend of smaller classes for certain elective courses continue, it is incumbent on the Administration to have maximum flexibility for assigning teachers to a wider range of subjects. This approach should allow as many courses as possible being offered without staff reductions. It is also recommended that existing teachers continue to become certified in additional subjects. The committee believes it is imperative to insure that all teachers receiving full time salary and benefits are maintaining a full curriculum load. The District needs to establish an ongoing review and formal criteria for determining when to add or delete selected subjects from the ongoing course offerings. These are both ongoing ABC focuses for the upcoming budget cycles.

Cash Management: The committee met with school administration to gain a better understanding of current practices and is pleased that the administration has agreed to undertake this suggestion. The policy should be developed in conjunction with the School, Library, Town Treasurer, and Trustees of the Trust funds.

Auditorium: The committee continues to recommend development of a proactive program to utilize the auditorium as a net "Revenue Generator" as proposed in the request to justify the original project. The ABC continues to feel that the Community Auditorium is an outstanding asset which is underutilized. We understand that the Board is reluctant to embark on any plan that could be detrimental to this facility; however, we feel that with the appropriate controls there are many ways to promote the auditorium in a beneficial manner. Although not considered by many as an important area of financial benefit to the Town, the agreement with the taxpayers to fund the Auditorium was originally envisioned as just that. We recommend the Board explore the success of the Leura Hill Eastman Performing Arts Center, at Fryeburg Academy as an example of what possibilities are available.

Town Recreation: The committee supports the collaborative effort recently announced by the Town Administration and School Board to jointly explore the feasibility of combining the current Town Recreation program with the School Athletic program. This recommendation is further supported by the current Master Plan. We believe there are cost savings and certainly operational efficiencies to be

gained by combining the programs. Currently the Town Recreation program services the elementary after school activities. Much of the equipment purchased and many of the programs offered are duplicative of those offered by the School. The Town Administrator has identified a Graduate Program at University of New Hampshire that would be available to independently provide analysis and recommendation. The ABC supports this initiative and strongly recommends the School Board and Town Administration work together to accomplish this research.

Conclusion:

As stated above, the budget for 2011-12 as presented by the District reflects a 0.5 % increase (\$69,716) over the 2010-11 School years. While the 0.5 % increase is relatively small, we believe opportunities exist to deliver a level funded year over year budget. Areas for cost containment are outlined above. In addition, we believe there are longer term opportunities including but not limited to moving town recreation [Excluding senior programming] to the school, continued cost sharing of health benefits, consolidation of Town and District business and human resource offices, and continued consolidation of building and grounds maintenance.

Respectfully submitted,

Moultonborough Budget Advisory Committee

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